



Los Angeles County
Board of Supervisors

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Second District

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Fifth District

July 1, 2014

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From:  Mitchell H. Katz, M.D.
Director



**SUBJECT: NOTIFICATION OF A SOLE SOURCE PURCHASE ORDER
REQUEST TO INTERNAL SERVICES DEPARTMENT FOR
SUPPLEMENTAL PHYSICIAN REVIEW SERVICES**

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

Christina R. Ghaly, M.D.
Deputy Director, Strategic Planning

This is to advise the Board that the Department of Health Services (DHS) is submitting a request to the Internal Services Department (ISD) as the County's Purchasing Agent to issue a sole source Purchase Order (PO) to Executive Health Resources Inc. (EHR) for Supplemental Physician Review Services (SPRS) at a cost not to exceed \$100,000 in order to disposition a backlog of inpatient utilization reviews at DHS.

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www.dhs.lacounty.gov

Medi-Cal reimbursement requires hospitals to meet specific utilization review requirements to determine medical necessity of acute inpatient care and continued stays. The California Department of Health Care Services (DHCS) transitioned acute inpatient utilization review activities from DHCS Medi-Cal consultants performing day to day review and approval of Treatment Authorization Requests (TARs) on 100 percent of all hospital stays, to requiring that hospitals perform their own acute inpatient utilization reviews for authorization of medical necessity. Although DHS is currently performing these reviews, additional resources are necessary to ensure accurate reviews are conducted on a timely basis.

EHR is a University Healthsystem Consortium (UHC) contractor who was selected through UHC's competitive solicitation process and whose services are available to UHC members. DHS desires to secure a PO with EHR to obtain SPRS on an expedited basis as a pilot. EHR is in the business of providing utilization review services and other related services through certified physicians that hold law degrees and are licensed to practice law, and are referred to as physician attorneys. EHR's fee structure is on a per reviewed case basis with a nominal implementation fee.

To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.



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Supplementing DHS resources with this PO will enable the department to complete efficient medical reviews and appeals and ensure the timely claiming and financial reimbursement for inpatient Medi-Cal services provided by DHS hospitals. In the event additional utilization review resources are necessary beyond the PO dollar limit, I will request the Board to approve a contract with EHR.

If you have any questions or require additional information, please let me know.

MHK:ca

c: Chief Executive Office
County Counsel
Executive Officer, Board of Supervisors
Internal Services Department